

MAY 2 9 1998

226 Airport Parkway, Suite 190 San Jose, California 95110 (408)501-SVMG (7864) Fax (408)501-7861 http://www.svmg.org

May 15, 1998

**CARL GUARDINO** President & CEO **BOARD OF DIRECTORS** KO NISHIMURA Chairman Solectron JOHN A. CONOVER Secretary/Treasurer Bank of America CRAIG R. BARRETT Intel Comoration SHANKAR BHATTACHARYA

Mr. Lester Snow CALFED Bay-Delta Program 1416 Ninth Street, Suite 1155 Sacramento, CA 95814

ROBERT CARET San Jose State University WILFRED J. CORRIGAN LSI Logic Corporation JOHN DEAN Silicon Valley Bank JOHN GINGERICH Honeywell-Measurex Corporation BRIAN HALLA National Semiconductor

Dear Mr. Snow: PG&F As leaders of Santa Clara County's local governments, water supply

San Jose Mercury News **DAVID HOUSE** Bay Networks, Inc. DR. W. KEITH KENNEDY, JR.

JAY T. HARRIS

would like to convey to you some of our key interests in the CALFED Bay-Delta Program. Santa Clara County is home to 1.6 million residents and a \$70 billion export economy. We would like to promote continued economic vitality of Silicon Valley and to protect and improve our quality of life. A balanced,

affordable, and equitable CALFED solution is a very important

agencies, business and industries, and the environmental community, we

Hewlett-Packard Company **GLENN LARNERD** IBM Corporation ALEX LEUPP

# Conservation and Recycling:

component of this continuing effort.

Watkins-Johnson Company **RICK KNISS** Siemens Microelectronics, Inc. SCOTT G. MCNEALY Sun Microsystems, Inc. LEONARD PERHAM Integrated Device Technology, Inc. RICHARD PREVITE Advanced Micro Devices, Inc. ARTHUR L. ROBERTS United Defense LP **GRANT SAVIERS** 

Silicon Valley is dependent on a reliable and consistent high-quality supply of water. All of our local industries and residents have invested heavily in water conservation and reuse, as evidenced by the fact that it took ten years for the water use in the county to return to 1987 levels while the county was experiencing a period of rapid growth. We continue to be committed to further promote water use efficiency as a way to reduce future demand. However, CALFED needs to promote the necessary financial investments and incentives along with institutional support in advancing demand management programs in order to achieve its ambitious goals in conservation and recycling. Furthermore, we would like to see a more widespread and consistent implementation of agricultural water use efficiency measures statewide.

L.L. VICTORINO Lockheed Martin Missiles & Space HELEN M. WILMOT Kaiser Permanente JOHN WOODS

TRW

Adaptec, Inc. JOYCE M. TAYLOR

Pacific Bell

JAMES N. WOODY, M.D., PH.D. Roche Bioscience DAVID WRIGHT Amdahl Corporation Working Council Chair JOE PON

> Applied Materials Founded in 1977 by 'DAVID PACKARD

Mr. Lester Snow CalFed Bay Delta Project Page 2

## Water Supply Reliability:

Santa Clara County relies on water imported from the Bay-Delta watershed for over half of its annual supply. The uncertainty of our imported supplies during the last drought has been detrimental to the economies of Santa Clara County and the State. Stakeholders in Santa Clara County have recently completed an integrated water resource planning process to develop a strategy of conservation, recycling, banking, and transfers for meeting future demands. This strategy is built upon our base supply of imported water from the State Water Project, the Central Valley Project, and Hetch Hetchy. We expect the CALFED process to resolve the environmental issues of the Bay-Delta and enhance the stability in the state's water supply. Local water management agencies will then be able to maximize water conservation, recycling, transfers, and banking opportunities to supplement their base supplies.

### Water Quality:

The residents and industries of Santa Clara County deserve safe, clean, and high quality water. Water supply agencies and utilities continue to implement advanced treatment technologies to meet increasingly stringent regulatory standards. Many of the electronics and semi-conductor companies have also invested in further treatment processes, such as reverse osmosis, to meet product demands. As drinking water quality standards get more stringent and recycling demands increase, the need for a better source of water quality increases. We expect CALFED to meet its objective of improving the water quality for all beneficial uses, including our supply for municipal and industrial purposes.

### **Ecosystem Restoration:**

As users of a natural resource critical to the Bay-Delta ecosystem, the industries and citizens of Santa Clara County accept an ongoing responsibility for minimizing the impact our resource use has on that ecosystem. We support CALFED's objective of restoring the Bay-Delta ecosystem to a healthy, functioning system. We demonstrated our support through our financial contributions to jump-start CALFED's ecosystem restoration program.

### **Environmental Water Quality in the South Bay:**

Industries and cities within Santa Clara County have also invested heavily in reducing point and non-point sources of discharge as our continuing effort to reduce toxicity in the streams and to improve the water quality of the South Bay. Since the South Bay is an integral part of the San Francisco Bay-Sacramento/San Joaquin Delta Estuary, we believe that such actions will improve the overall environmental quality and health of the Bay-Delta system. We therefore believe CALFED should include the South Bay in allocating ecosystem restoration and water quality program funding.

Mr. Lester Snow CalFed Bay Delta Project Page 3

#### **CALFED's Preferred Alternative:**

We support CALFED's stakeholder-driven process to develop a consensus package of long-term solutions. It is important to keep all of the options open as the various interests continue to deliberate on the merits of each component and as they strive to reach consensus on a preferred alternative. We believe the preferred alternative should be comprised of a balanced package of ecosystem restoration program and "soft path" elements such as increased water use efficiency, transfers, and water quality actions, as well as infrastructure options to provide a comprehensive water resource management solution. We believe a phased decision-making framework can be developed that allows for intermediate evaluations based on factors such as: water use efficiency performance measures, water quality needs, and fisheries needs. We expect the final solution package to be equitable, affordable, and effective in achieving all of the objectives of the CALFED Bay-Delta Program.

Sincerely,

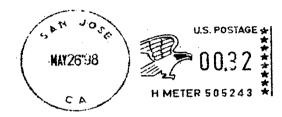
President and CEO

Silicon Valley Manufacturing Group



226 Airport Parkway, Suite 190 San Jose, CA 95110

Printed on Recycled Paper



Mr. Lester Snow CALFED Bay-Delta Program 1416 Ninth Street, Suite 1155 Sacramento, CA 95814

35814-5503 31

